



Dear Stewart Partners,

We hope you had some time this weekend to relax and enjoy the beauty of this season. Speaking of seasons, federal forecasters are predicting warmer than average conditions for northern New England and a wetter winter for southern New England. "Wetter" is certainly disappointing after a very wet summer and fall, but the warmer temperatures could be a nice change to our traditionally frigid winters.

In this week's Mid-Week Update we are pleased to announce that Stewart Title's financial strength has, once again, been affirmed by the independent financial analysis firm A.M. Best. We have also included information relative to a renewal *and expansion into 4 additional MA counties* of FinGen's Geographic Targeting Order ("GTO").



### Stewart Earns "Excellent" Rating from AM Best

AM Best, the leading provider of ratings in the insurance industry, has been assessing and analyzing the creditworthiness of insurance companies across the globe since 1899. Each year, AM Best reviews each insurance company's Financial Strength Rating (FSR) and determines whether or not each company's financial health is on track with its current rating. A Financial Strength Rating (FSR) is an opinion about an insurance company's financial health and its likelihood to meet its financial obligations. In other words, it is an evaluation of how well the insurance company is performing financially and its ability to pay claims and pay off debts.

We are happy to report that AM Best has affirmed the FSR of A- (**Excellent**) and the Long-Term Issuer Credit Ratings (Long-Term ICR) of "a-" (**Excellent**) for the member companies of Stewart Title Group. The Issuer Credit Rating (ICR) assesses a company's ability to pay and meet the terms of its financial obligations.

AM Best also affirmed the Long-Term ICR of "bbb-" (Good) for the parent holding company, Stewart Information Services Corp.

"Rising interest rates, a slowing economy and a slowdown in the real estate sector have dampened Stewart's production and premium volume," AM Best stated in a release. "Despite these headwinds, Stewart's underwriting and operating results are expected to remain in line with industry averages. Stewart's ratings consider the group's very strong levels of risk-adjusted capitalization, as measured by Best's Capital Adequacy Ratio (BCAR), and its consistently profitable underwriting and investment results."

“In addition, Stewart benefits from its market position as the fourth-largest title insurance writer in the United States and writes business in all 50 states, as well as its international presence,” AM Best added. “This global diversification helps mitigate the concentration risk inherent to being a monoline writer of title insurance.”

These ratings reflect Stewart’s balance sheet strength, which AM Best categorizes as very strong, as well as its adequate operating performance, neutral business profile and appropriate enterprise risk management.

Our proven commitment to maintaining financial strength indicates that Stewart Title will be there for our clients today and for many years to come.



The Financial Crimes Enforcement Network (FinCEN) recently announced the renewal and expansion of its Geographic Targeting Order (GTO).

The renewed GTO includes changes to the effective date range and the addition of geographical areas. In New England, the GTO areas include Fairfield and Litchfield Counties in Connecticut and Suffolk, Middlesex, **Bristol, Essex, Norfolk, and Plymouth** Counties in Massachusetts. Bristol, Essex, Norfolk, and Plymouth Counties are a new addition to the GTO. With the exception of the newly added counties, FinCEN’s GTO is in effect from October 22, 2023, until April 18, 2024. For the recently added counties, the new Order is in effect beginning November 21, 2023, until April 18, 2024. Any transaction where title insurance is being issued and which falls within the parameters of a Covered Transaction (described below) and is located in geographical areas identified in the GTO must be reported.

A “Covered Transaction” is defined in the GTO as a transaction in which:

1. Residential real property is purchased by a Legal Entity;
2. The purchase price of the residential real property is in the amount of \$300,000 or more in the New England areas referenced above;
3. The purchase is made without a bank loan or other similar form of external financing by a financial institution; and
4. The purchase is made, at least in part, using currency or a cashier’s check, a certified check, traveler’s check, personal check, business check, money order in any form, a funds transfer, or virtual currency.

Please also keep in mind that closing attorneys and title agents must retain all records relating to compliance with this GTO for 5 years from the last day the GTO is effective (including any renewals).

As a further reminder, all Stewart title insurance commitments for residential property located in one of the named counties specified in the GTO must contain the following in Schedule B1 (requirement section of the commitment):

REQUIREMENT:

**This Company is required by Federal Law to collect certain additional information from you and the parties representing you regarding the purchase of real property. US Code Title 31-Sec 5326 authorizes the U.S Department of Treasury to collect information about the certain transaction as specified in various geographic targeting orders for the purpose of preventing evasion of the Bank Secrecy Act. As a result of a Geographic Targeting Order ("GTO") issued by the United States Department of Treasury, Financial Crimes Enforcement Network ("FinCEN"), on November 15, 2018, and effective November 17, 2018, this transaction may be responsive to the requirements of the GTO. You may be required, as a condition of the issuance of the policy to provide additional information that will be reported to FinCEN. Please contact this company and provide the details of this transaction in order to comply with the GTO.**

**If the transaction meets the reporting requirement, you will be asked to provide information on the identity of the parties to the transaction, which will be reported to FinCEN. This company is prohibited from issuing its policy if the transaction is reportable and the information is not provided for reporting. Additional exceptions and or requirements may be raised.**

The GTO requires a covered transaction be reported within 30 days of closing. To help our agents comply with the GTO, Stewart facilitates the filing of reportable transactions for its agents. This service is provided at no charge. All you need to do is complete the ALTA information collection form and email it to [fincenreports@stewart.com](mailto:fincenreports@stewart.com) along with supporting identification from the buyers. A Stewart representative will input the information into the filing portal established by the Treasury Department and send you a copy of the filing for your records. To learn more about this service, contact your account service representative.

To view Stewart's previous New England Regional Midweek Update which highlighted the background and specifics of FinCEN's GTO, including information on the Beneficial Ownership Information ("BOI") reporting requirements and deadlines, please follow this link:

[New England Mid-Week Update 5.10.2023](#)

To view Stewart's latest bulletin and the latest FinCEN order, follow these links:

[Bulletin: SLS2023013](#)

[FinCEN - Geographic Targeting Order](#)



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